

FISCAL NOTE

SB 2847 - HB 2971

February 27, 2006

SUMMARY OF BILL: Requires pharmacy benefit managers (PBM) to notify covered entities in writing of any activities, policies or practices that the PBM perceives as a direct or indirect conflict of interest. Requires PBMs to disclose payments received in the process of dispensing drugs which are based upon sales volume and any financial terms and arrangements for any payment received between the PBM and any prescription drug manufacturer or labeler.

ESTIMATED FISCAL IMPACT:

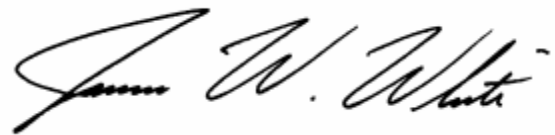
Increase State Expenditures – Not Significant

Assumptions:

- The Department of Commerce and Insurance would be in charge of the administration and enforcement of the provisions of the bill. The Department would enforce the provisions of the bill upon receiving complaints from consumers stating that provisions are being violated. Any additional work could be absorbed with existing resources.
- TennCare receives all monies that are due and then pays a monthly fee to the PBM as a “pass through” arrangement, thus there will be no fiscal impact on the TennCare program.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White".

James W. White, Executive Director